

## Message Text

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USEEC

FOLLOWING REPEAT GENEVA 00685 SENT ACTION SECSTATE JAN 17.  
QUOTE LIMITED OFFICIAL USE GENEVA 00685

USMTN

ACTION STR - PASS ELECTRONICALLY

E.O. 11652: N/A  
TAGS: ETRD, MTN  
SUBJECT: DG INITIATIVE CONCERNING NEXT PHASE OF THE MTN

REF: GENEVA 00609

1. DIRECTOR GENERAL LONG'S INITIATIVE (REFTEL) CONTAINS  
A NUMBER OF USEFUL SUGGESTIONS WE MAY BE ABLE TO BUILD  
ON AS WELL AS A FEW TROUBLESOME POINTS WE WOULD NOT  
EXPECT TOO MUCH DIFFICULTY IN REDIRECTING. WE INTEND  
TO CONSULT WITH EC AND JAPANESE DELEGATIONS STARTING  
WEDNESDAY ON WAYS TO RECAST LONG'S INITIATIVE INTO  
SOMETHING MUTUALLY ACCEPTABLE AND CONSISTENT WITH BASIC  
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IDEA (WHICH WE ENTHUSIASTICALLY ENDORSE) OF SETTING AN  
AGREED FRAMEWORK TO MAINTAIN MOMENTUM FOR THE PROMPT  
COMPLETION OF THE TOKYO ROUND. WE PROPOSE TO CONCENTRATE  
DURING BILATERALS/TRILATERALS THIS WEEK ON:

A. FIXING AN EARLIER TARGET DATE TO COMPLETE THE  
MTN THAN THE ONE ADVANCED BY LONG,

B. DOWNPLAYING THE EXCESSIVE FOCUS ON MEETINGS OF GROUPS AND SUBGROUPS AS THE PRESUMED MAIN NEGOTIATING VEHICLE, AND

C. ESTABLISHING A MECHANISM OR CHECK POINTS TO MAINTAIN POLITICAL THRUST.

2. CONCERNING TARGET DATE FOR WINDING UP THE MTN, MCDONALD INTENDS TO PRESS EC AND JAPAN TO ACCEPT MID-JULY 1978 AS THE LATEST DATE WE SHOULD BE AIMING FOR. SUCH A DATE CANNOT REALISTICALLY BE A FIRM COMMITMENT BUT THE KEY COUNTRIES SHOULD BE WILLING TO PLEDGE GENUINE BEST EFFORTS TO BRING IT OFF BY THAT DATE IF HUMANLY POSSIBLE. (A DATE OF MID-JULY WOULD ALLOW A TWO-WEEK CUSHION FOR SLIPPAGE BEFORE THE EUROPEANS GET RESTIVE AND INSIST ON THEIR TRADITIONAL VACATION PERIOD WHICH WOULD AUTOMATICALLY LOOSE A MINIMUM OF TWO MONTHS BEFORE PEOPLE GET BACK TO WORK AND DUST OFF THE DOSSIERS.)

3. WE ANTICIPATE THE EC WILL SHY AWAY FROM INTERMEDIARY TARGET DATES IN THE SAME WAY THEY RESISTED INTERIM DATES LEADING TO THE MID-JANUARY TABLING OF OFFERS BUT THIS RESISTANCE DOES NOT INVALIDATE THE NECESSITY OF THE U.S. HAVING A TIME-PHASED NEGOTIATING STRATEGY. LIMITED OFFICIAL USE

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MOREOVER, WE WILL PRESS FOR AN INFORMAL UNDERSTANDING WITH THE EC AND JAPAN ABOUT RELATIVE PRIORITIES, SEQUENCE OF WORK AND CHECKPOINTS TO BE GIVEN OVER THE NEXT SIX MONTHS WITHOUT INVITING PROCEDURAL DELAYS OR VETOS OF AN INTERNATIONAL AGREEMENT ON A PRECISE, DETAILED TIMETABLE.

4. WITH A MID-JULY FINAL DATE IN MIND, WE VISUALIZE THREE PLANNING "BLOCKS" OF TIME, OR STAGES OF EFFORT, NAMELY: T,

A. THE PERIOD FROM JANUARY 23 THROUGH THE END OF MARCH,

B. THE MONTHS OF APRIL AND MAY,

C. THE MONTH OF JUNE, FOLLOWED BY A WRAP-UP PERIOD OF TWO WEEKS TO THRASH OUT THE FINAL DEAL. (IF WE SHOULD HAVE SLIPPAGE, WE WILL NEED TO ASSIGN CONTINUING PLURILATERAL WORKING PARTIES TO PURSUE REMAINING OPEN AREAS WHILE THOSE WHOSE WORK IS COMPLETED CAN TAKE HOLIDAYS.)

5. OUR FOCUS WITH THESE THREE PHASES WOULD GENERALLY BE AS FOLLOWS:

STAGE 1 (JANUARY 23 - MARCH 31):

A. PRESS AHEAD ON BILATERALS, SEEKING CLARIFICATION AND SPECIFICITY VIS-A-VIS INDUSTRIAL TARIFFS, AGRICULTURE REQUEST/OFFERS, AND NTM REQUEST/OFFERS.

B. PRESS FOR COMPLETION, IF POSSIBLE, OF LESS CONTROVERSIAL CODES.

C. PUSH AHEAD TO COMPLETE STAFF WORK AND THINKING ON MOST CONTROVERSIAL CODES (E.G., SUBSIDIES/ LIMITED OFFICIAL USE

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COUNTERVAIL).

D. DEFINE AND IDENTIFY BY NEGOTIATING PARTNER THOSE KEY ISSUES DEMANDING POLITICAL RESOLUTION AND/OR COMPROMISE.

STAGE 2 (APRIL 1 - MAY 30):

A. FORCE KEY ISSUES TO POLITICAL LEVEL FOR EARLY RESOLUTION AS A FRAMEWORK FOR CONTINUING DETAILED NEGOTIATIONS.

B. IF CONFRONTATION IS LIKELY, ACCEPT IT DURING THIS PERIOD (AFTER THE FRENCH ELECTIONS).

C. OUTLINE PROBABLE FINAL AGREEMENT FOR INITIAL ASSESSMENT AND DETERMINATION OF OVERALL BALANCE, ACCEPTABILITY, AND STAGING.

D. ATTEMPT TO COMPLETE NEGOTIATIONS ON ALL TECHNICAL AND DETAIL QUESTIONS.

STAGE 3 (PART 1 - JUNE 1 - JUNE 30):

RESOLVE FINAL POLITICAL ISSUES, AND DEAL WITH QUESTIONS OF BALANCE, STAGING AND PRESENTATION.

(PART 2 - WRAP-UP - JULY 1 - 15):

COMPLETE REMAINING DETAILS FOR MID-JULY SIGNOFF BY PRINCIPALS, LEAVING THEN TO TECHNICIANS THE REMAINING TASK OF CONVERTING TO FINAL AGREEMENT FORMAT AND DRAFTING OF NECESSARY LEGAL DOCUMENTS.  
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6. WE EXPECT EC AND JAPAN WILL HAVE A REACTION SIMILAR TO OUR OWN WITH RESPECT TO ANNEX 1 OF DG LONG'S INITIATIVE WITH ITS FOCUS ON MEETINGS OF GROUPS AND SUBGROUPS. A MORE EFFICIENT WAY TO ACHIEVE RESULTS IS VIA BILATERALS LEADING TO PLURILATERALS WITH GROUP MEETINGS RESERVED FOR RATIFICATION OF RESULTS NEGOTIATED AMONG THE PRINCIPALLY INTERESTED COUNTRIES. THE PREFERRED WAY TO ALLEVIATE ANXIETY ON THE PART OF DELEGATIONS OUTSIDE THE MAINSTREAM WOULD BE FAIRLY FREQUENT (SAY, BIWEEKLY) "7 PLUS 7" SESSIONS TO TAKE STOCK OF WHERE THINGS STAND AND ACQUAINT THE SMALLER DELEGATIONS WITH WHAT'S GOING ON.

7. CONCERNING A MECHANISM TO PRESERVE A POLITICAL THRUST TO THE NEGOTIATIONS, BELIEVE IT WOULD BE APPROPRIATE FOR AMBASSADOR STRAUSS TO TAKE UP WITH HAFERKAMP AND USHIBA A COMMITMENT TO MEET TOGETHER IN GENEVA TOWARD THE END OF EACH OF THE THREE STAGES OUTLINED ABOVE OR ABOUT EVERY 60 DAYS.

8. THE ONLY SPECIFIC IN ANNEX 1 OF THE DG INITIATIVE THAT GIVES US SUBSTANTIVE PROBLEMS IS THE CANADIAN INITIATIVE. THAT WILL NEED TO BE REPHASED INTO A FALLBACK OPPORTUNITY CONSISTENT WITH OUR OWN TRADE ACT AND THE TOKYO DECLARATION. MCDONALD UNQUOTE CHRISTOPHER

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NNN

## Message Attributes

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